

U.S. ENVIRONMENTAL PROTECTION AGENCY
POLREP #25

Date: July 17, 2003

Subject: Highland Drilling Oil Crude and Well Fire, Morgan County,
TN.

From: Steve Spurlin, OSC,
Region 4

To: S. Hitchcock, EPA
D. Rigger, EPA
M. Taylor, EPA
D. Thornton, EPA HQ
K. Rasnick, EPA
USCG, District Eight
NPFC, Case Officer
Project File

I. BACKGROUND

SITE ID.#	Z4EZ
FPN#	EO2414
PROJECT CEILING:	\$2,200,000.00
LEAD AGENCY	EPA, Region 4, ERRB 61 Forsyth St., Atlanta
NPL:	Not in NPL
FUNDING:	OPA
LEAD OSC:	Steve Spurlin

II. SITUATION

Date of Notification:	7-20-02
Date Action Started:	7-21-02
Pollutant:	Crude Oil
Quantity Discharged:	500BBL
Substantial Threat:	High
Surface Water:	Clear Creek and Obed River
Source Identification:	Oil Well

III. ACTIONS TAKEN

1. Pryor Oil Co. continues to conduct monitoring and collection activities on Clear creek pursuant to the EPA CWA Order. EPA's oversight contractor continues to met with Pryor personnel on-site once a week to document site conditions. In June and July, as summer temperatures have risen, EPA has observed larger, more frequent sheening on Clear creek. In response to the increased discharge, Pryor Oil appears to have increased their collection efforts by extending the existing fixed boom and deploying sorbent materials.
2. Efforts to negotiate a Consent Order between EPA and Pryor Oil after the January 23, 2003 meeting between EPA and Pryor Oil in Knoxville, TN were unsuccessful. The existing Order was modified by EPA to drop the mechanical integrity test (MIT) after EPA determined that the MIT was not a significant issue until the well was deepened. The modified Order continues to require Pryor Oil to conduct monitoring/collection on Clear creek and requires Pryor Oil notify EPA of their intent to deepen the well.
3. In June, EPA met with representatives from the National Park Service (NPS) and the Tennessee Department of Environment & Conservation (TDEC), Geology Division. The meeting was conducted, at the NPS request, to provide the new acting NPS Obed Unit manager an update on site status. Site restoration and repair issues were discussed. Attendees involved with the natural resource damages assessment (NRDA) inquired if EPA could determine if there was a feasible way to evaluate how long the oil seep may continue as the length and quantity of discharge could be relevant in the NRDA process. The OSC has contacted EPA's ERT-Cincinnati to discuss this issue.
5. Pryor oil is currently producing and marketing oil from the well. EPA does not know production amounts.

IV. FUTURE ACTIONS

1. OSC continues to keep the NPS and TDEC aware of the project status.
2. EPA will continue to oversee Pryor Oils weekly monitoring and collection actions on Clear creek.

V. COST TO DATE

EPA	\$45,000.00
USCG	\$94,000.00
START	\$88,000.00
CMC, Inc.	\$538,700.00
Boots and Coots	\$862,000.00
PRFA w/DOI	\$110,000.00

The costs shown are based on information available at the time of this report. The figures should not be used to support or dispute any legal action regarding this site.